### **BEFORE**

### THE PUBLIC SERVICE COMMISSION

### OF SOUTH CAROLINA

### **DOCKET NO. 2013-199-WS**

IN RE: Application of United Utility Companies,	)	DIRECT TESTIMONY
Inc. for Adjustment of Rates and Charges	)	
and Modifications to Certain Terms and	)	$\mathbf{OF}$
Conditions for the Provision of Water	)	
and Sewer Service	)	KAREN SASIC
	)	

#### 1 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

**A.** My name is Karen Sasic and my business address is 200 Weathersfield Avenue, 3 Altamonte Springs, Florida, 32714-4027.

#### 4 Q. WHAT IS YOUR CURRENT POSITION OF EMPLOYMENT?

I am the Director of Billing and Regulatory Relations for Utilities, Inc., with oversight responsibility for billing and regulatory customer complaints within the 15 states we serve, which includes United Utility Companies, Inc.

### 8 Q. HOW LONG HAVE YOU BEEN EMPLOYED BY UTILITIES, INC.?

9 A. Eighteen (18) years.

Q.

A.

#### WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND?

I hold an Associate's degree in Business Administration from Miami-Dade Community College with continued coursework in business from Florida International University. I began working with the company in 1995 as a Customer Service Representative. In 1998, I moved into the operations department as an Administrative Assistant. In 2001, I was promoted to Executive Assistant to the Vice President of Operations in our Florida office. In 2003, I was promoted to Regional Office Manager in our Florida office, overseeing the Customer Service for Florida Operations. In 2008, I took over management of the company's customer service functions for Louisiana. In November 2009, I was promoted to the position of Manager of Customer Service for the entire company. In January 2011, I was promoted to Director of Customer Care over customer service in our 3 call centers located in Altamonte Springs, Florida, Charlotte, North Carolina and Pahrump, Nevada as well as our Billing Department located in Northbrook, Illinois. In November 2012, as part of reorganization of departments, I

assumed the title of Director of Billing and Regulatory Relations. In addition, I have served on the National Association of Water Companies Customer Service Committee since March 2008.

#### Q. WHAT DOES YOUR CURRENT POSITION ENTAIL?

As Director of Billing and Regulatory Relations, I am responsible for the oversight of our Billing Department to ensure that customers receive timely and accurate bills. I am responsible for developing, evaluating and implementing procedures pertinent to the effective and efficient operation of the Billing Department. In addition, I provide regulatory support through customer complaint responses, data request responses, filing of testimony and appearance at hearings.

# Q. WHAT EXPERIENCE DO YOU HAVE IN TESTIFYING BEFORE STATE UTILITY COMMISSIONS?

I have testified before this Commission in rate relief proceedings as well as rate relief proceedings in Indiana, Kentucky and Nevada. In addition, I have provided supporting data for staff testifying in rate relief proceedings in Arizona, Florida, Illinois, Indiana, Louisiana, Maryland, Nevada, North Carolina and Pennsylvania.

### Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

18 A. The purpose of my testimony is to describe United Utility Companies, Inc.'s

19 (generally "United") billing and to describe our results during the test year.

### Q. DURING THE TEST YEAR, WERE ALL UNITED'S BILLS ISSUED ON TIME?

21 A. 98.4% of bills were issued on time during the test year.

A.

1	Q.	CAN	YOU	DESCRIBE	WHAT	ISSUES	WOULD	CAUSE	BILLS	TO	BE
2		DELA	VED?								

- Yes. During the test year, the less than 2% of bills that were delayed were the result of issues such as blocked access to the meter, fogged meter glass and water in the meter boxes.
- Q. ON THE SMALL PERCENTAGE OF OCCASSIONS WHERE A BILLING
  DELAY OCCURS, HOW ARE YOUR CUSTOMERS IMPACTED BY A
  BILLING DELAY?
- Other than receiving their bill a few days later than normal, there is no impact.

  They still have the same amount of time to pay their bill. Any balance unpaid after 25 days of the billing date are assessed a late payment charge of 1 ½%.
- Q. DURING THE PRIOR UNITED RATE CASE THERE WERE CUSTOMER
  COMPLAINTS REGARING PRORATED BILLS. HAS THE COMPANY
  TAKEN STEPS TO AVOID PRORATED BILLS?

15

16

17

18

19

20

21

22

A.

Yes. The company enhanced or created new process controls to ensure timely and accurate bills including steps to avoid proration of bills. Process controls are in place to verify the bill schedules are adhered to ensure timely issuance of bills. Meter readers have received additional training to ensure they are adhering to the meter read schedules. The billing department also reviews the meter read upload files before billing to ensure meter reads are taken within the appropriate timeframe and that proration will not occur. In addition a report is produced and reviewed by the billing department after the bill cycle closes to identify any exceptions before bills are issued to our customers. The

process controls implemented have been successful and no prorated bills were issued to

United customers during the test year.

### Q. DOES UNITED MEASURE ITS PERFORMANCE IN THE TIMELINESS AND ACCURACY OF BILLS?

A. Yes. United has developed Key Performance Indicators (KPIs) to objectively measure performance and bring accountability to the billing process. The results for the billing KPI's adopted by United for the test year and the first two quarters of 2013 are indicated below:

			201	L <b>2</b>		20	13
Objectives	Measure	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Timely &	% of Bills On-Time	97.5%	98.0%	98.7%	99.2%	98.6%	98.5%
Accurate Billing	% of Accurate Bills	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%

A.

# Q. EVEN THOUGH YOUR KPIs DEMONSTRATE TIMELY AND ACCURATE BILLING PRACTICES, DOES UNITED CONTINUE TO WORK TO IMPROVE ITS BILLING PRACTICES?

Yes. While our goal is to have bills that are 100% timely and accurate, we are encouraged by our results and continue to work toward improving our billing and meter reading practices. Our billing personnel work closely with the meter readers to ensure they are obtaining timely and accurate meter readings each month. The communication between the office and the field helps to identify meter reading issues early in the billing process minimizing delayed bill issuance to United customers.

### 1 Q. CAN YOU DESCRIBE HOW UNITED CUSTOMER BILLS ARE 2 CALCULATED?

A. United customers are billed in accordance with the rates established in Docket No. 2009-479-WS Order No. 2012-547. Customer bills provide a line item breakdown of all approved charges. Water customers are billed a water base facility charge of \$15.18 per unit and a usage charge of \$7.79 per 1,000 gallons. Wastewater customers are billed \$53.50 per unit for house, condominium, villa, apartment or commercial. Wastewater mobile home customers are billed \$39.46 per unit. United sewage collection only customers are billed \$27.35 per unit.

A.

### Q. DID UNITED CONDUCT REGULAR VACANCY AUDITS DURING THE TEST YEAR?

13 A. Yes. United conducts vacancy audits on inactive premises each month.

### 14 Q. CAN YOU DESCRIBE THE VACANCY AUDIT PROCESS THAT IS 15 CONDUCTED MONTHLY BY UNITED?

Yes. A report listing inactive premises is pulled from the Customer Care & Billing (CC&B) system each month by United billing personnel. The inactive premises are reviewed and a report of addresses is identified and prepared for the field to check. United field personnel will visit the premises listed to determine if they appear vacant or occupied by visual inspection. They look for obvious signs of occupancy such as cars in the driveway, garbage cans by the curb, items in the yard and maintained landscaping to list a few of the signs they look for. They place door tags on all premises so that the occupant or potential occupant will be aware they are served by United and to apply for

service. On homes that appear to be vacant, no additional follow up is conducted. The vacant premise will continue to be monitored with each monthly audit until it appears occupied or a new resident applies for service.

A.

Q.

A.

# WHAT FOLLOW UP IS CONDUCTED WHEN IT HAS BEEN DETERMINED AN INACTIVE PREMISE IS OCCUPIED TO ENSURE THE OCCUPANT IS ESTABLISHED IN CC&B AND BILLED FOR SERVICES?

When a premise has been determined to be occupied, field personnel will leave a door tag advising the occupant to apply for service to avoid disconnection of service. Billing personnel review the premise to determine if application has been made within the 48 hour time period indicated on the door tag. If the occupant does not apply for service, a field activity is issued to disconnect service. For United water premises, the meter is locked or pulled as applicable. For United wastewater premises with an elder valve, the valve is closed and locked. If no elder valve is present, an additional door tag is left for the occupant. In this case, billing personnel will attempt to obtain the owner's name if available through county property appraiser records and establish the account for billing. If they are unable to obtain the property owner's name, the premise will be referred back to Operations for installation of an elder valve to enable disconnection of wastewater service.

# Q. DOES UNITED MEASURE THE RESULTS OF THE MONTHLY VACANCY AUDITS?

Yes. A summary report listing the results of vacant and occupied premises during the test year is submitted as Exhibit KLS-1. This report summarizes the number of premises checked by the field each month and a count of their findings. During the test

year, the monthly vacancy audit identified 29 homes that were occupied in which the customers did not apply for service. As a result of our audit, we were able to establish accounts for those occupants and start billing for service.

## 4 Q. DOES UNITED RELY SOLELY ON THE ADDRESSES IN CC&B FOR THE 5 MONTHLY VACANCY AUDITS?

A.

A. For the monthly vacancy audits, that is correct. However, in accordance with Docket No. 2009-479 W/S, Order No. 2012-547, United has begun to conduct annual vacancy audits that are not entirely reliant on CC&B to determine if connections have been made to our water or wastewater service without payment of the approved connection charges.

# Q. CAN YOU DESCRIBE THE DIFFERENCE BETWEEN THE ANNUAL AND MONTHLY VACANCY AUDITS?

Yes. With the annual vacancy audit, a premise listing of all addresses, both active and inactive, in CC&B for each subdivision is provided to field personnel. They conduct a field survey to canvas the service areas for any premises connected to our system but not established in CC&B per the premise listing provided. During the field survey, the inactive premises in CC&B are also checked at this time. The remaining steps in the vacancy audit process is the same as described above — field personnel determine occupancy or vacancy, leave a door tag and conduct follow up and/or disconnection, as required.

# Q. CAN YOU PROVIDE THE RESULTS OF ANY ANNUAL VACANCY AUDITS NOT ENTIRELY RELIANT ON CC&B THAT HAVE BEEN CONDUCTED?

Yes. The annual vacancy report was filed with the Commission on July 17, 2013 in accordance with Docket No. 2009-479 W/S, Order No. 2012-547 and is submitted as Exhibit KLS-2. The annual vacancy audit identified 5 premises that were connected to our system but not set up in CC&B. The premises were added to CC&B and a door tag was left so the potential occupant will be aware they are served by United and to apply for service.

### 7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes.



Results of Vacancy Surveys - 2012

		2012																						
		-	L	2	L	3	L	4	L	20	9		7		8		a			11	L	12	Γ	
ans	SUB NAME	OCCUPIED (VACANT OCCUPIED (VACANT O	CANT OCCL	JPIED VAC	CANT OCCI	OCCUPIED VACAN	ANT OCCUPIED	IED VACANT	T OCCUPIED	VACANT	OCCUPIED IVACANT	ACANT DCC	OCCUPIED VAC	VACANT OCCUPIED	PIED VACA!	VACANT OCCUPIED	DIVACANT	T OCCUPIED	VACANT	OCCUPIED IVACANT		OCCUPIED IVACANT	CANT Gran	Grand Total
	20 BRIARCREEK		-					-		-		L												r.
	45 CANTERBURY		L	-	_				L	_										ŀ				1
	56 CHAMBERT FOREST	-		-		_			-	F	-	n		2	2				1	-	ĸ			25
-	115 FAIRWOOD	-				_	L								-	_						-	-	
_	174 HIGHLAND FOREST	=				_		_					L				_		-			-		(
2	215 KINGSWOOD																						F	-
3.	284 NRTH GREENVILLE COLAVALLEYVIEW			-		_		_				L	-				2						L	4
4	434 TROLLINGWOOD				L							n					_			-				4
4.	454 VALLEY BROOK	2		+-	L	_		-					L		_				2					8
4	458 SCHOOL DIS OF GREENVILLE CTY	-		2	_		-	-	1	-			_		1			4			-	-	2	14
เต	503 WOODMONT ESTATES																							0
Grand Total				•			,	'	t		,	•	•		·			1	1	•		,		1



Settlement Agreement Dated 01/12/2012 Order No. 2012-547 Dated 07/17/2012 UNITED UTILITY COMPANIES, INC. Docket No. 2009-479-W/S

#7 - Vacancy surveys - Vacancy surveys that are not entirely reliant on CC&B shall be conducted at least annually by UUC, beginning on the first anniversary of a Commission order approving this Agreement, and the results reported to ORS and the Commission.

		267		EIE	FIFT OF STRINEY RESTILLTS	77			
				Canvas of Servic	Canvas of Service Area for Addresses not in CC&B	sses not in CC&B			
	(e)	(q)	Θ	(p)	(a)	(t)	(3)	( <del>l</del> )	Ξ
						Inactive Pren	Inactive Premises in CC&B		
	Premise Count in CC&B as of			Total#of				New	Premise Count in CC&B as of
SUB Subdivision	05/31/2013 Before Canvas	Serv	Field Survey Date	addresses not in CC&B	Occupied & Active in CC&B	Found to be Occupied	Found to be Vacant	connections (tap fees paid)	07/15/2013 After Canvas
029 BRIARCREEK	72	ww	6/10/2013	3	89	4	0	0	75
045 CANTERBURY	152	ww	6/10/2013	1	146	2	4	0	153
056 CHAMBERT FOREST	203	ww	6/10/2013	1	104	3	96	0	204
115 FAIRWOOD	93	ww	6/10/2013	0	85	3	5	0	93
174 HIGHLAND FOREST	64	MM	6/10/2013	0	61	1	2	0	64
215 KINGSWOOD	28	MM	6/10/2013	0	72	0	ī	0	28
284 NRTH GREENVILLE COL&VALLEYVIEW	91	WW	6/10/2013	0	11	2	12	Ţ	92
434 TROLLINGWOOD	57	ww/w	6/10/2013	0	95	1	0	0	57
454 VALLEY BROOK	205	MM	6/10/2013	0	186	7	12	0	205
458 SCHOOL DIS OF GREENVILLE CTY	313	WW	6/10/2013	0	236	13	64	0	313
503 WOODMONT ESTATES	22	w	6/10/2013	0	77	0	0	0	22
	1300			5	8901	36	196	L	1306

Premise count in CC&B as of 05/31/2013 before the field canvas of the service areas. æ

Services provided by UUCI. (q

Date field survey started to canvas service area for addresses not in CC&B. Inactive premises in CC&B were also checked at this time.

Number of premises found connected to UUCI but not in CC&B. Addresses were added to CC&B, homes were tagged to apply for service. If no response, service will be interrupted by 7/16/2013.

Number of premises occupied and actively billing in CC&B.

Number of premises inactive in CC&B but appear to be occupied during the field canvas of the service area. Homes were tagged to apply for service. If no response, service will be interrupted by 7/16/2013. ÷ ± 6 € 0 €

Number of premises inactive in CC&B and appear to be vacant during the field canvas of the service area.

New connections (tap fees paid) between 05/31/2013 and 07/15/2013.

Premise count in CC&B as of 07/15/2013 after the field canvas of the service areas. [d + e + f + g + h = i]